



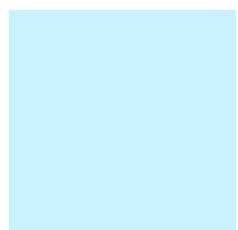
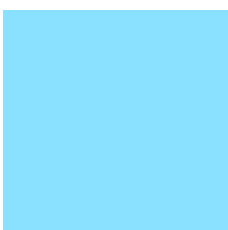
Word on....

Mobile

An Online Conversation Research Report by:

Edelman Australia

December, 2007





Edelman's Word on... Mobile

Edelman's regional 'Word on' conversation research reports are designed to provide marketers and communications professionals with a monthly snapshot of online issues and conversations taking place in different industries, both in Australia and overseas.

The growth and increasing ubiquity of the internet and explosion of affordable mobile communications has caused the biggest change in channel usage for both marketing and communications professionals since the advent of television. No communications or marketing strategy is complete without an online component, nor can any company or product team remain unaware of what their market is saying about their brands, a conversation which is now measurable by monitoring the online conversation environment

Edelman, as a communications consulting firm, conducts regular research into the opinions of Australians who influence the reputations of companies and products. This tells us that web-based media is almost as trusted as mainstream newspapers as a source of trustworthy information about a company, and that there is a major difference between online conversation about a product or company and coverage of that same product or company in traditional or 'old' media.

In other words, you may not know what people are saying about you if you rely on traditional monitoring services.

This month's Edelman 'Word on' report looks at online conversations around mobile communications and innovation in Australia - specifically discussions around trends, products and issues that are important to communities around mobile communications. However, this summary report is designed to give communications practitioners an overview of the type of research and monitoring that Edelman can conduct on any topic of interest to you.

This SUMMARY report contains some of the observations, recommendations and insights from the full report. Please contact Con Frantzeskos in Melbourne (03 9863 7622 con.frantzeskos@edelman.com) or Louise Pogmore in Sydney (02 9241 3131 louise.pogmore@edelman.com) for copies of the full Edelman "Word on Mobile" report.

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I. Snapshot

- This “Word on Mobile” Report has identified a variety and depth of online conversations on Australian online forums, social media sites and blogs which discuss mobile hardware, technology and useability in preference to mobile content or specific carrier issues.
- There is a distinct lack of participation by official representatives of mobile phone makers, mobile carriers and other industry participants; in other words, the online field, containing major amounts of conversational traffic around specific products and services, has no industry or product advocate voice and the resulting vacuum invites misinformation to masquerade as fact.
- Edelman’s own research suggests companies should embrace the social media space and use it to monitor the popularity of product features and advantages, and then engage and influence conversations to achieve tangible business and communications outcomes. Managed properly with complete transparency of authorship and point of view, openness and engagement is rewarding those companies that take it on.
- Engaging and influencing online conversations is a different matter to influencing traditional media. While blogs are a popular means for communicating online in countries such as the USA, France and Singapore, in many countries forums and message boards far more relevant. As blogs are very much a top-down, or opine-respond medium, they are not embraced by Australians, who prefer to ask and respond to questions as a means of discussing topics. This is where forums succeed in Australia, with an ability for casual, rapid-fire, broad and egalitarian discussion between multiple participants. Blogs are still based on the public response to a particular point of view, which, although often popular, are less conversational.
- Forums also create strong communities and repeat visitors – like the TV show “Cheers”, where everybody knows your name, and there is no dominant participant. Blogs, by contrast, are a community of people who read the opinion of one, like a group of people sitting together, watching a speech; discussion comes afterwards, and always in response to that speech.
- Organisations have always driven conversation, but have used traditional media as a driver and proxy for this public opinion. The ability now exists for organisations to understand real opinions in real language by monitoring forums, blogs and other spaces for online conversation. By monitoring and understanding this conversation, organisations can then engage with and influence these conversations on a far broader and more profound level.



II. Who Do People Trust for Information?

Word of mouth is more important today than ever before in influencing people's perceptions and purchase decisions. With the growth of social media and the democratisation of information that ensues online, the ability to tap into word of mouth recommendations from peers is becoming much easier. In addition, new technologies such as blogs and forums are also encouraging these consumers to share their views openly with others and rate products according to their experiences.

As a result, companies need to reassess how they communicate with their consumers in the online space. Two pieces of research developed by Edelman show the growing influence of word of mouth marketing and new media globally and in Asia-Pacific. The first such study, The Edelman Trust Barometer, which tracks trust on a global level, shows that the most trusted source of information is "a person like me."

The 2007 Edelman Australian Stakeholder Study

<http://www.edelman.com.au/insights/AustralianStakeholderResults2007.htm> shows how the credibility of new media continues to grow in Australia and is directly challenges traditional media sources, particularly television and radio. The Australians targeted in this study of influencers are becoming more likely to turn to web-based media for trustworthy information and news. For example, the study found that 53 per cent of people turn to newspapers first for trustworthy information and news, with web based media a clear second on 34 per cent, and radio third on eight per cent.

Overview of Australian Social Media Universe

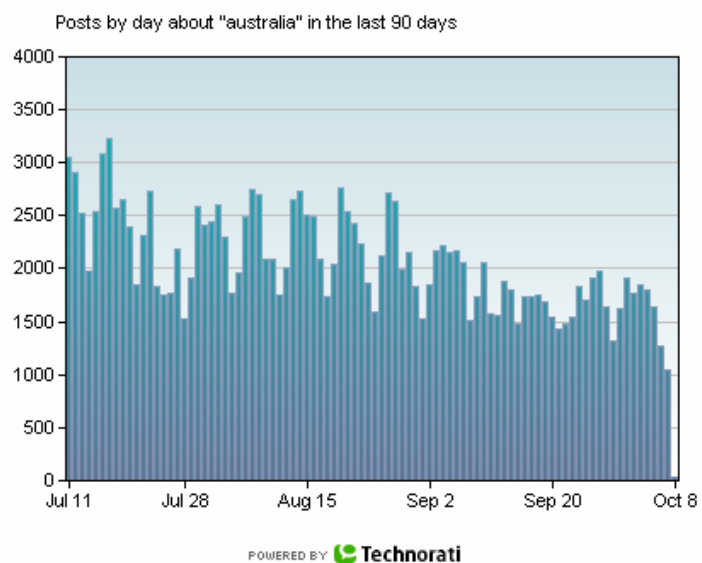
The reach of forums, message boards and blogs has increased in Australia over the past five years, as participation in online conversation has become more common.

Participation in forums and social media sites is very popular, however blogs are less so – and in decline. Technorati tracks only 6,379 blogs tagged (i.e. major subject area is/ or is from) "Australia". Blog entries (as per this chart) about/from Australia has decreased in recent months from just over 2,000 posts per day to less than 1,500 posts per day.

Conversational online environments are far more popular in Australia – and growing rapidly. Some examples are: social media sites (MySpace, Facebook, Bebo); content sharing sites (Photobucket, YouTube, Flickr); forums and bulletin boards (Whirlpool, Telecoms and Internet); music and nightlife (inthemix.com.au) and Australian Rules Football (BigFooty.com) to name but a few.

Australians are notoriously cynical about anyone who vociferously expresses their opinion. People prefer to gather information within the shared conversation of forums and online bulletin boards. However, there is an opportunity in providing leadership over a particular issue, using a mixture of blogs and forums to provide authority and conversation around a specific topic, rather than a specific personality.

While 34 per cent of Australians in the 2007 Edelman Australian Stakeholder Study turn to web-based media first, and 85 per cent are aware of blogs, trust in blogs specifically is extremely low, at only three per cent; again this reinforces our belief that forums are a far more credible and frequently used means to converse online.





Australian Internet Usage Statistics:

15,300,000 Internet users as of Dec., 2007 - 74.3 per cent of the population (International Telecommunications Union.)

Australian Internet Growth and Population Statistics (ITU and Nielsen NetRatings):

YEAR	USERS	POPULATION	% POP.
2000	6,600,000	19,521,900	33.8%
2007	14,729,191	20,434,176	70.2%
2008	15,300,000	20,600,856	74.3%

Glossary of Online Conversation Terms

Online conversations exist in a number of places, defined below:

Blogs are websites with dated items of content in reverse chronological order, self-published by bloggers. Items – sometimes called posts - may have keyword tags associated with them, are usually available as feeds, and often allow commenting.

Blogs are generally designed in journal format, with most recent items at the top of a page, and written in a conversational, personal style, giving the author an authentic voice online. Blogs can offer readers the opportunity to comment on, and link to items.

Forums are discussion areas on websites, where people can post messages or comment on existing messages asynchronously – that is, independently of time or place. Chat is the synchronous equivalent. Forums are the main means of conversing online. Forum discussions happen in one place, and so can be managed and facilitated in ways that blog conversations can't because these are happening in many different places controlled by their authors.

Social media is a term for the tools and platforms people use to publish, converse and share content online. The tools include blogs, wikis, podcasts, and sites to share photos and bookmarks. Social media specific sites include MySpace, Facebook, Flickr, Photobucket and other sites which are personality – content driven. The public use these sites to create their own free presence online in which they can express themselves with a variety of content – from conversation to photos, to short films.

Traditional News Comments: News posts on traditional media sites may allow readers to add comments under news pieces, and may also provide a feed for comments as well as for main items. News Limited newspapers such as the Herald-Sun and The Daily Telegraph integrate comments into every article, whereas Fairfax allows comments on only their blogs. Blogs also have the opportunity for comments.

User Generated Content sites describe sites which allow any user to upload text, pictures, video and any other material to a site and usually comment on it. Examples include popular sites such as Wikipedia and YouTube.



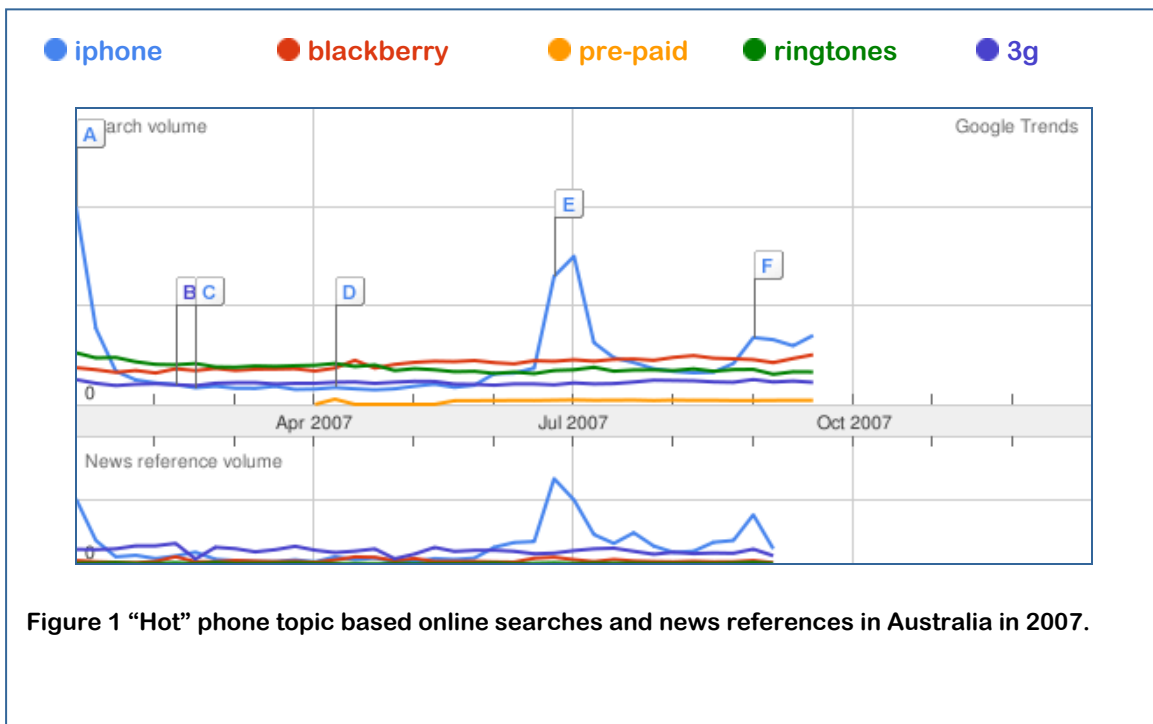
III. Mobile Conversations in Australia

This summary report contains an introduction to this section.

Australians are seeking conversation on a number of topics across “mobile”. These graphs show the scale of search terms on a particular keyword or set of keywords. The top graph shows how many people have searched online for a topic/issue keyword in Google over time, while the bottom graph shows corresponding news mentions in traditional or ‘old’ media of that same keyword. The use of ‘search’ as a means of assessing the popularity of a keyword is because it is the “lowest barrier to entry”. It does not rely upon activity, such as writing a blog post or submitting an article – it simply reflects the acknowledgement of a topic and the first steps a normal person would take to find out more about it.

Some examples of search terms are provided below:

“Hot” phone topics



Despite not being released in Australia, interest in the Apple iPhone is very high when compared to established and available brands and technologies. Pre-paid is not a popular search term, despite making up a substantial portion of revenues for many mobile carriers; quite possibly as users of pre-paid services may not refer to “pre-paid” as a search term, or may not possibly have the same level of investment that might lead them to search for such a product online. Over 2007 and the longer term, the number of searches for ringtones is in decline, as more Australians create their own ringtones or import MP3s into their phones direct from other handsets or computers instead of downloading them from the web.

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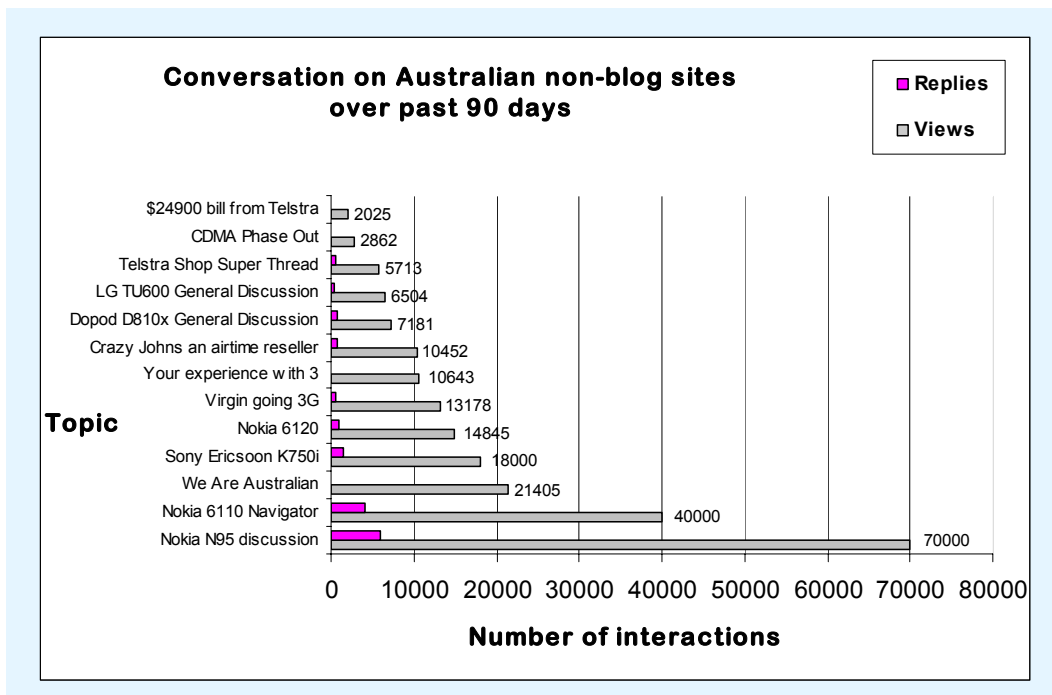


IV. Mobile Conversation Snapshots

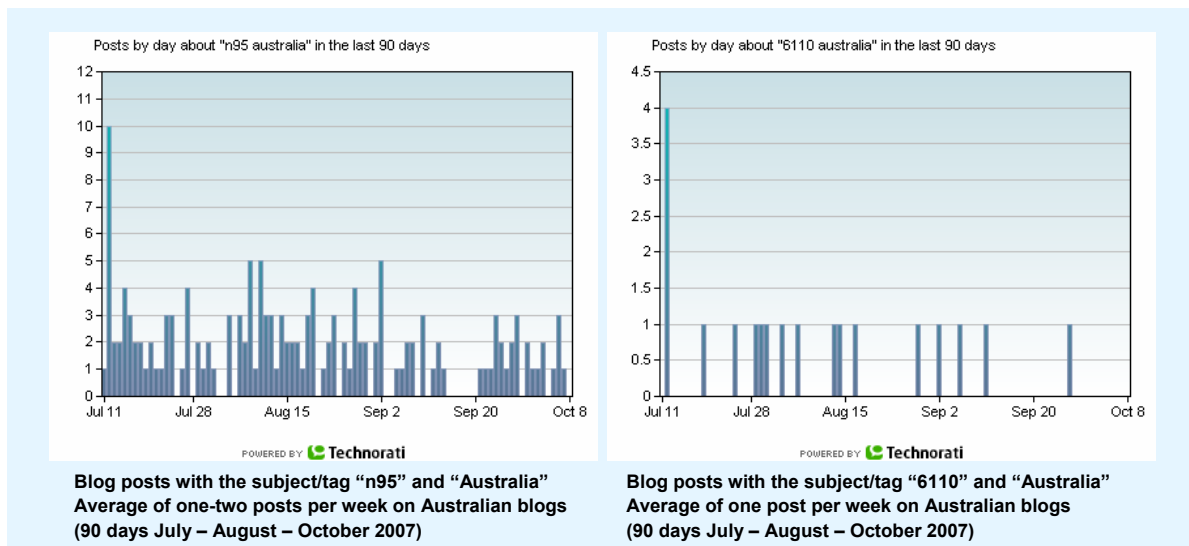
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This section illustrates conversation as it exists on forums, blogs, social media and other comment-enabled media sites. Clearly, forums are the most popular destination for conversation in Australia, unlike blogs, which register very low levels of interest in the same search terms. Forums are by far the most popular method of conversing online in Australia, with high levels of conversation and immediacy – people post in rapid response to other participants in the conversation, partly due to the instant nature of forum chat.

This graph plots the level of views and replies/comments on forums over a 90 day basis – with some of the highlights being approximately 70,000 views and approximately 7,000 replies/comments on the Nokia N65 discussion, and around 40,000 views and 4,000 replies to a Nokia 6100 forum.



Contrast this forum chart with blog charts on the same topics from Australia, where according to Technorati the N95 achieves only a 1-2 posts / interactions per day and the Nokia 6110 achieves only one post per week:





A conversation snapshot from some of these topics on Australian blogs and forums is as follows:

Blogs



Date: 25 September 2007
Title: Telstra delivers Next-G speed boost
Author: The Antipodean Podcast Blog
URL: http://antipodean14.blogs.com/the_antipodean_podcast/2007/09/telstra-deliver.html

Sample conversation extract from Blog: “Telstra have finally made 7.2Mbps wireless broadband Next-G datacards available to Telstra’s business and Bigpond customers, with firmware updates to come for most existing Next-G cards delivering ‘up to’ 7.2Mbps download speeds without having to purchase new hardware.”

Forums



Within the Australian online community, the Whirlpool forum is by far the most popular mobile and ISP forum. Topics include mobile phone technology and usage, however the primary conversations threads revolve around mobile phone features and models, with lesser conversation on topics of mobile content and mobile carriers. Other mobile based forums have specific benefits, with conversations about getting the best mobile deal or experiences with competing mobile carriers.

Examples of popular conversations on forums over the last 60 days in Australia are listed below:

- **Nokia N95 General Discussion**
 - Ten part thread:
 - Over 70,000 total views, over 6,000 replies
 - Discussion of maximising the functionality of the GPS system in mobile phones

Social Media Sites

There has been an explosion of popularity in social media sites over the past three years, the two most notable example being MySpace (over 3,000,000 users in Australia) and Facebook (over 400,000 users in Australia, and growing at a rate of three per cent per week).

These sites provide an opportunity for people to create a virtual space online for their expression, and using “group” tools, create virtual social spaces and advocacy groups to discuss almost anything.



Mobile conversation in Social Media

Facebook



Group: People Against Telstra
Subject Line: "Do you hate Telstra? Have they screwed you around? Have they ripped you off? Share your experiences and anger here."
No. Members: 190
URL: <http://www.facebook.com/group.php?gid=2365818977>

Sample conversation: "Telstra have no customer service skills! I tried desperately for like an hour yesterday to make them understand that in order to actually get to one of their telstra shops I would have to travel 350km, so they finally said I could post my broken ass phone to them to get repaired if I could prove my purchase. They SUCK!"

NOTE: Groups of this kind should not be dismissed, no matter how small, as the nature of online conversations is such that they may grow rapidly and uncontrollably if not monitored.

YouTube



Title: Telstra – We Are Australian Ad
URL: <http://youtube.com/watch?v=ZuKpJv0PISE>
Views: 21,405 **Comments:** 88 **Links from other sites:** 5

Sample conversation:
 "F*#@en Telstra!"
 "lol telstra can go shoot itself "
 "love it... except for the telstra bit lol "

Myspace



Title: Telstra – by Will I am
URL: <http://myspacetv.com/index.cfm?fuseaction=vids.individual&videoid=9524611>
Views: 43

Sample conversation:
 "im REALLY f#@en fed up with telstra and Motorola.. thier phones are shit.. and telstra are just plain crap! i was with telstra for 1 week and that week would of been one of the most stressful weeks of my life.. seriously.. i called customer care about 3 times a day.. the phone froze about 2 times a day and you had to wait about 4 or 5 mins until it started working again"
 "I think the problem you face is with Motorola, not Telstra dude and just so you know, that phone is a V3 and isnt on the Next G or 3G networks. Once again, comparing a 2G handset with 3G, no comparison... Good work bro!"

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V. Hot Topics in the Australian Social Media Universe – September / October 2007

Available in full report only.

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VI. What does it all mean?

This report addresses conversation around mobile brands and products – the people of Australia are not discussing one area of great investment and effort by mobile carriers, that of mobile content services. Indeed, the decline in searches for, and discussions of “ringtones” illustrates how people are using technology to build their own content; instead of having to find or buy ringtones online, people are uploading music to their handsets and making ringtones themselves – hence not needing to search for, or discuss the best potential ringtone options.

The Whirlpool forum is clearly a forum which attracts much of the search and mobile activity in Australia, for both “tech-geeks” and ordinary Australians. It is a site which is frequently visited and used to investigate, criticise and promote mobile phone hardware. Technology and usage is rarely mentioned. The grand efforts of firms such as Telstra, Vodafone and 3 to differentiate their offerings in an effort to build a customer base is seemingly lost upon the people of Australia, who are far more interested in the features and product specifications of their new mobile handset.

It is clear that whether on Whirlpool, YouTube or Facebook, people are passionate about mobile devices – they act as permanent companions, keeping people in touch with family, friends and colleagues, and as such they see online conversation as the perfect means to investigate and research their next handset purchase. This is in great contrast with mobile providers, who have largely ignored such online conversation hubs, instead heavily investing in above the line marketing. As per the example of Sony-Ericsson, this has had little effect on the population, who would much rather search for, and discuss other mobile handset makers.

Handset providers should embrace the social media space and use it to monitor the popularity of product features and advantages, and engage and influence conversations to achieve tangible business and communications outcomes.

Mobile carriers should use social media as a means to differentiate content offerings within the context of conversation about handsets. Australians prefer to discuss handsets, therefore mobile carriers need to ensure that their content and services are included in this discussion – in the same way people discuss how a TV broadcast looks better on one TV over another – ensuring that their content/services are seen as the best way to take advantage of a handset’s superior quality.

This is currently happening– to a small degree. The inclusion of a GPS unit in certain new Nokia phones has led to an explosion of discussion – people looking at ways to maximise the satellite service. However, given the lack of a credible information source online, people are not convinced by the outcomes, and it leads to falsities and misinformation about product and service information.

All participants in the mobile space should be listening – to understand what customers are looking for, what they like and dislike – and then get involved, to ensure that the conversation is not only active, but accurate and fulfilling for the customer.



VII. Appendices

Appendix A. Ten Top Australian Social Media Sites (August 2007)

Available in full report only

Appendix B. Ten Top Electronics Sites (including Mobile) in Australia

Top 20 sites as visited by Australians which cover electronics, including consumer electronics, mobile phones, MP3 players and other popular technology. Available in full report only.

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Appendix C. Word on Mobile Report Methodology and Disclaimers

The Edelman Word On Mobile Report is compiled to provide a snapshot of online conversation. It is a report which allows for an examination of the variety of conversations which exist, and the variety of online spaces in which these conversations exist.

The methodology attempts to mimic the typical or most easily accessible conversation opportunity by the public, by using mostly freely available search tools, and tools which examine these common entry points for general conversation.

By selecting from a universe of search keywords, then comparing conversation around those keywords in an wide range of online fora, bulletin boards, blogs, user generated content sites, comment enabled traditional news sites, and other conversation sites, we have been able to identify relevant conversations, assess each conversation within context, measure the popularity, tone, veracity and activity around the conversation.

It is not a comprehensive coverage report, nor is it a report which should be used to ascertain the total exposure or depth of conversation on any particular brand, topics or issues.

Other limitations: As blogs are often hosted on free servers based in the US, it is difficult to measure exactly which blogs are Australian, or write about Australian content. By looking for tags, keywords and metatags which contain the word “Australia” or “Australian”, it gives us the ability to narrow down the search. This by no means returns a comprehensive list of blogs, however if a blog does not provide some geographic information, it is also very difficult for the general public to find the information on a blog.

While this might not be relevant to many topics, the area of mobile calls for a particularly geographic focus. The mobile industry is divided into geographies (thus shared communities linked by geography) due to the unique nature of the mobile industry in each jurisdiction – with varying pricing, technology regimes, regulatory frameworks, available hardware and service providers.